


76 04307

City Of Saratoga
\$1,200,000
1976 Library Bonds
General Obligation



Sale: November 17, 1976
Bartle Wells Associates



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NEW ISSUE:
Sale date: November 17, 1976

CITY OF SARATOGA
SANTA CLARA COUNTY, CALIFORNIA
\$1, 200, 000 LIBRARY BONDS

The bonds described in the Official Statement are general obligations of the City of Saratoga, a general law city of the State of California. Bond proceeds will be used to construct a library, which will be leased to Santa Clara County. The primary source for payment of the bonds will be lease rentals payable by Santa Clara County to the city for use of the library. To secure payment on the bonds, the city also is empowered and is obligated to levy ad valorem taxes annually on all taxable property in the city, without limitation as to rate or amount, for payment of principal and interest on the bonds.

Bonds dated: December 15, 1976
Denomination: \$5,000
Due: December 15, as shown below:

RATINGS:
Moody's _____
Standard & Poor's _____

Year	Amount	Rate	Yield or Price	Year	Amount	Rate	Yield or Price
1978	\$25,000	%	%	1990	\$ 50,000	%	%
1979	25,000			1991	50,000		
1980	25,000			1992	50,000		
1981	25,000			1993	55,000		
1982	25,000			1994	60,000		
1983	25,000			1995	65,000		
1984	30,000			1996	75,000		
1985	30,000			1997	75,000		
1986	35,000			1998	75,000		
1987	40,000			1999	80,000		
1988	45,000			2000	85,000		
1989	50,000			2001	100,000		

The bonds are coupon bonds, payable to bearer, registrable as to principal only or as to both principal and interest, with provision for deregistration and reregistration. Principal is payable annually beginning December 15, 1978, and interest is payable semiannually beginning December 15, 1977, both at the main office of the Bank of America NT & SA in San Francisco, California, and at offices of co-paying agents, Bankers Trust Company in New York, and Harris Trust and Savings Bank in Chicago.

Bonds maturing on or before December 15, 1986 (bonds numbered 1-49) are not callable prior to maturity. Bonds maturing on or after December 15, 1987 (bonds numbered 50-240) are callable pursuant to the terms stated in the Official Notice of Sale, including payment of a premium.

The city is offering these bonds for delivery when as, and if issued, subject to the legal opinion of Orrick, Herrington, Rowley & Sutcliffe, bond counsel, San Francisco, approving the validity of the bonds and stating that interest on the bonds is exempt from present federal income taxes and from California personal income taxes under existing statutes, regulations and court decisions.

Terms and conditions of the offering are fully set forth in the Official Notice of Sale dated October 20, 1976. Bids will be received on Wednesday, November 17, 1976 at Bartle Wells Associates, 28th Floor, San Francisco, California, up to and including 11:00 a.m. Pacific Time. Bids will not be accepted at less than par. Following acceptance of a bid, information on the bond coupon rates, reoffering prices, and bond ratings will be imprinted in the spaces provided on this page.

[Bartle Wells Associates]
Investments Public Secur.
Public debts Munic. Saratoga
Libraries Public
Public bldgs Public
" " Libraries

OFFICIAL STATEMENT OF

CITY OF SARATOGA
13777 Fruitvale Avenue
Saratoga, California 95070

Incorporated 1956

CITY COUNCIL

Colman Bridges, *Mayor*
Henry J. Kraus, *Vice Mayor*
John Brigham, Jr.
Margaret L. Corr
Norman Matteoni

STAFF

Robert F. Beyer, *City Manager-Clerk*
Vladimir F. Fabris, *Treasurer*
Faber L. Johnston, *City Attorney*
James B. Hendrickson, *Assistant to City Manager*

PROFESSIONAL SERVICES

Orrick, Herrington, Rowley & Sutcliffe,
San Francisco, *Bond Counsel*
Bartle Wells Associates, San Francisco,
Municipal Financing Consultants
Spencer & Associates, Palo Alto,
Architects

This Official Statement provides information about the issuer and its bonds. The Official Statement includes:

1. Data supplied by the issuer and by others, as indicated herein;
2. Estimates or projections which may or may not be realized and which should not be construed as assertions of fact; and
3. Summaries or descriptions of legal and financial documents, or their contents, which do not purport to describe such documents completely and which are made expressly subject to the full provisions of the documents cited.

This Official Statement does not constitute a recommendation, express or implied, to purchase or not to purchase these bonds or any previous bonds of the issuer.

THE DATE OF THIS OFFICIAL STATEMENT IS
OCTOBER 20, 1976

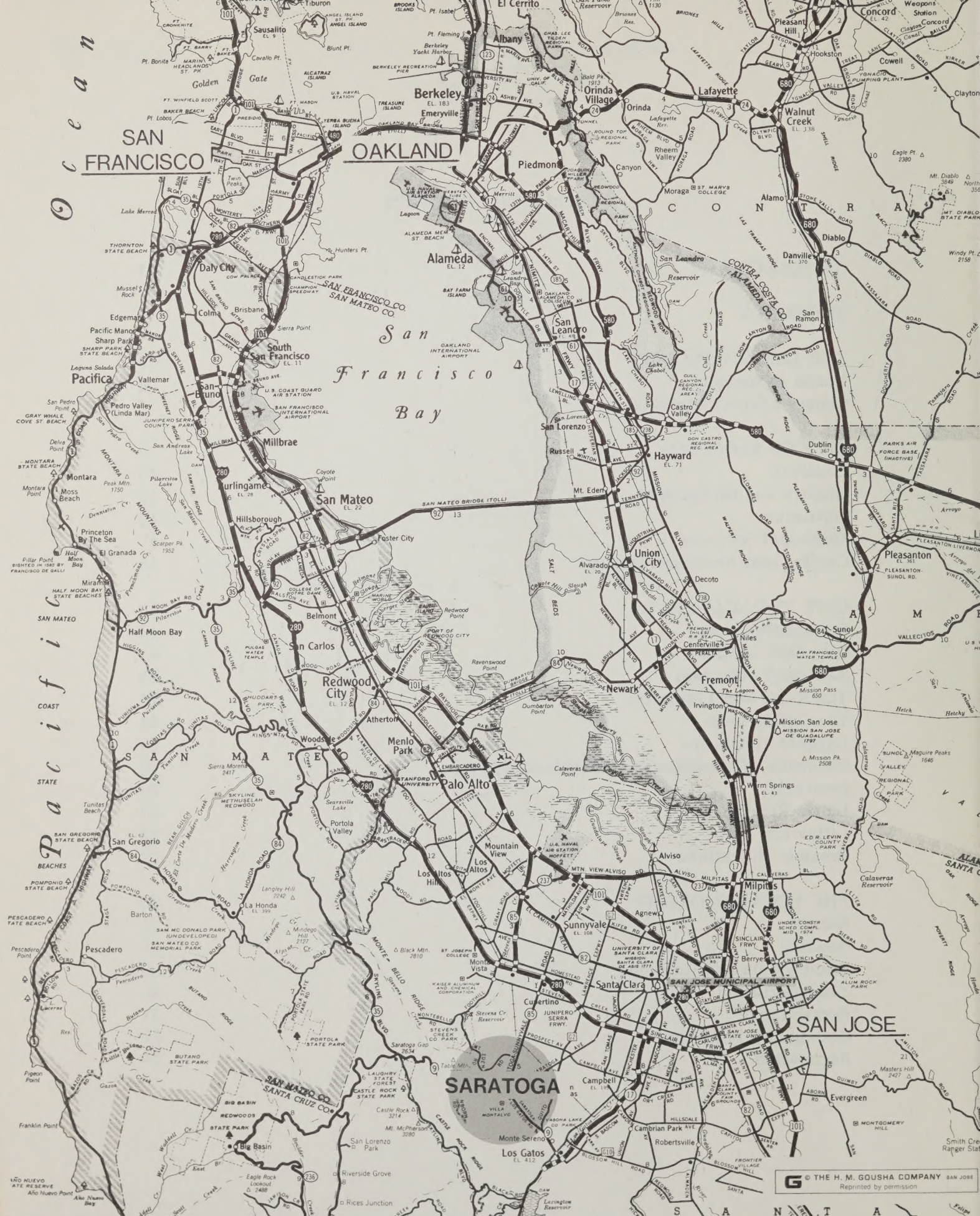
Prepared for the issuer by
BARTLE WELLS ASSOCIATES
Municipal Financing Consultants
100 Bush Street
San Francisco CA 94104 (415) 981-5751

76 04307

INSTITUTE OF GOVERNMENTAL STUDIES LIBRARY
109 PHILOSOPHY HALL
UNIVERSITY OF CALIFORNIA
BERKELEY, CA 94720

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The City of Saratoga is located within Santa Clara County, the largest of the nine Bay Area counties. The city is about 50 miles from the City of San Francisco and 14 miles from the City of San Jose.

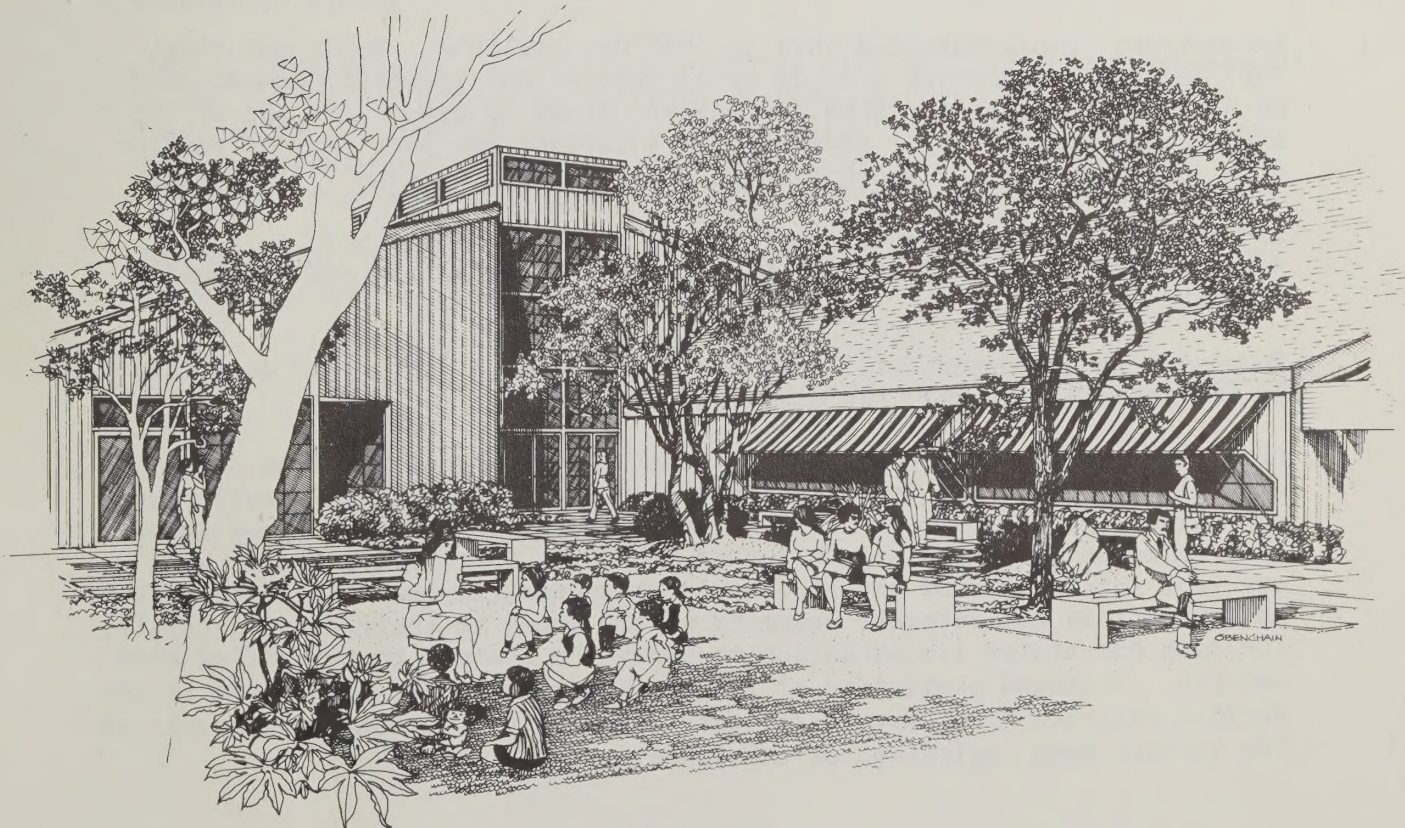
INTRODUCTION

This official statement furnishes information in connection with the sale by the City of Saratoga of \$1,200,000 1976 Library Bonds. The bonds are general obligation bonds payable if need be from ad valorem taxes levied upon all taxable property in the city. The bonds were authorized in an election held March 4, 1975 and are the full amount of the authorization.

Bond proceeds will be used to construct a library and associated site improvements. The new library will replace an existing facility that is too small to serve the city's needs.

Library service in the city is provided by the County of Santa Clara. The new library will be leased to the county and, in consideration, the county will pay rent sufficient to pay principal and interest on the bonds. The city has stated its intention to apply the rentals to payment of bond service.

This official statement presents a brief description of the bonds, the library project, city finances, and the local economy.



THE BONDS

Description: \$1,200,000 City of Saratoga 1976 Library Bonds, general obligation, \$5,000 denomination.

Date: December 15, 1976.

Interest: First coupon payable December 15, 1977 and semiannually thereafter on June 15 and December 15.

Maturities: Annually on December 15 as follows:

1978	\$25,000	1990	\$ 50,000
1979	25,000	1991	50,000
1980	25,000	1992	50,000
1981	25,000	1993	55,000
1982	25,000	1994	60,000
1983	25,000	1995	65,000
1984	30,000	1996	75,000
1985	30,000	1997	75,000
1986	35,000	1998	75,000
1987	40,000	1999	80,000
1988	45,000	2000	85,000
1989	50,000	2001	100,000

Redemption: Bonds maturing 1978 to 1986 not callable. Bonds maturing 1987 to 2001 callable as a whole or in part on any interest payment date on or after December 15, 1986, in inverse order of maturities and by lot within any one maturity. Premium is 1/4 percent for each year or portion of a year from date of redemption to date of maturity plus 1/2 percent.

Registration: Coupon bonds, registrable as to principal only or as to principal and interest, with provision for deregistration and re-registration.

Purpose: Bond proceeds will be used to construct a library as described in the section entitled "The Library Project."

Security: Bonds are general obligations of the City of Saratoga. The city has the power and is obligated to levy ad valorem taxes annually on all taxable property in the city, without limitation as to rate or amount. Under a lease agreement signed August 20, 1974, Santa Clara County will pay rent for the use of the library in semiannual payments sufficient to meet principal and interest payments on the bonds to their final maturity. The city has stated its intention to apply the rentals to payment of bond service. Selected provisions of the lease agreement are summarized in the section entitled "The Library Project." The city will retain ownership of the library upon expiration of the lease.

Tax Exemption: In the opinion of bond counsel, interest is exempt from present federal income taxes and from California personal income taxes under existing statutes, regulations, and court decisions.

Payment: At the principal office of Bank of America National Trust and Savings Association in San Francisco, California.

Authority for Issuance: \$1,200,000 general obligation bonds were authorized at a general election March 4, 1975. Bonds issued pursuant to a resolution of the City of Saratoga dated October 20, 1976.

Additional Bonds: No additional bonds are authorized, and no bond elections are planned.

Legality for Investment: General obligation bonds of the city are legal investments in California for trust funds and for funds of all insurance companies, commercial banks, and trust companies.

Legal Opinion: The opinion of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, will be printed on each bond at the city's expense.

Annual Bond Service: The accompanying table shows the estimated annual requirements for interest and principal payments on the bonds.

Official Statement: As provided in the Official Notice of Sale, the city will furnish without charge 200 copies of this official statement to the successful bidder.

Closing Certificate: A certificate of the city manager will be furnished to the successful bidder at delivery stating that, to the best of his belief, as of the date of delivery, the official statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make information in the official statement not misleading.

Date of Sale: November 17, 1976. Bonds will be awarded pursuant to the Official Notice of Sale dated October 20, 1976.

CITY OF SARATOGA
ESTIMATED BOND SERVICE*
\$1, 200, 000 1976 LIBRARY BONDS

Fiscal Year	December 15			June 15	
	Principal	6.25% Interest	Total	6.25% Interest	Total
1977/78	\$ --	\$ 75,000.00	\$ 75,000.00	\$ 37,500.00	\$ 112,500.00
1978/79	25,000.00	37,500.00	62,500.00	36,718.75	99,218.75
1979/80	25,000.00	36,718.75	61,718.75	35,937.50	97,656.25
1980/81	25,000.00	35,937.50	60,937.50	35,156.25	96,093.75
1981/82	25,000.00	35,156.25	60,156.25	34,375.00	94,531.25
1982/83	25,000.00	34,375.00	59,375.00	33,593.75	92,968.75
1983/84	25,000.00	33,593.75	58,593.75	32,812.50	91,406.25
1984/85	30,000.00	32,812.50	62,812.50	31,875.00	94,687.50
1985/86	30,000.00	31,875.00	61,875.00	30,937.50	92,812.50
1986/87	35,000.00	30,937.50	65,937.50	29,843.75	95,781.25
1987/88	40,000.00	29,843.75	69,843.75	28,593.75	98,437.50
1988/89	45,000.00	28,593.75	73,593.75	27,187.50	100,781.25
1989/90	50,000.00	27,187.50	77,187.50	25,625.00	102,812.50
1990/91	50,000.00	25,625.00	75,625.00	24,062.50	99,687.50
1991/92	50,000.00	24,062.50	74,062.50	22,500.00	96,562.50
1992/93	50,000.00	22,500.00	72,500.00	20,937.50	93,437.50
1993/94	55,000.00	20,937.50	75,937.50	19,218.75	95,156.25
1994/95	60,000.00	19,218.75	79,218.75	17,343.75	96,562.50
1995/96	65,000.00	17,343.75	82,343.75	15,312.50	97,656.25
1996/97	75,000.00	15,312.50	90,312.50	12,968.75	103,281.25
1997/98	75,000.00	12,968.75	87,968.75	10,625.00	98,593.75
1998/99	75,000.00	10,625.00	85,625.00	8,281.25	93,906.25
1999/00	80,000.00	8,281.25	88,281.25	5,781.25	94,062.50
2000/01	85,000.00	5,781.25	90,781.25	3,125.00	93,906.25
2001/02	100,000.00	3,125.00	103,125.00	--	103,125.00
	<u>\$1,200,000.00</u>	<u>\$655,312.50</u>	<u>\$1,855,312.50</u>	<u>\$580,312.50</u>	<u>\$2,435,625.00</u>

*Interest payments are estimated assuming a 6.25% per annum interest rate. The actual interest payments will depend upon the bond coupon rates specified by the successful bidder and may be higher or lower than those estimated in this table.

Source: Bartle Wells Associates.

THE LIBRARY PROJECT

The County of Santa Clara provides library service within the City of Saratoga. Currently, two branches of the county library system are located in the city--the 1,770-square foot Village branch opened in 1927, and the 6,000-square foot Quito branch opened in 1966.

Current library facilities are inadequate to serve the city's needs according to the citizens committee that successfully campaigned for bond authorization. The city's two library branches have about one-half the space the city should have to house its 98,370 volumes of books. While other branches in the county library system house an average of 36 volumes per square foot, the city's branches have an average of 64 volumes per square foot.

Recognizing the need to improve library services in Saratoga, the city and county have agreed that the city will construct a new library and the county will lease the library from the city and operate it as part of the county library system. Proceeds from this sale of city bonds will be used to finance construction of an 18,500-square foot building, a vehicle parking area for about 70 cars, and landscaping. The new library branch will be built on property now owned by the city in a central location convenient for residents of the city. It will have capacity for about 100,000 volumes. When completed, the new branch together with the Village branch will provide the city with 20,270 square feet of library space, nearly triple the total library space currently available in the city.

Detail of the \$1.2 million project cost is shown in the accompanying table. The construction contract will be let on November 17, 1976, immediately following the bond sale. The contract requires completion within 12 months of the award of contract. The construction cost is based on the lowest construction bid received by the city.

CITY OF SARATOGA LIBRARY PROJECT USE OF BOND PROCEEDS

Construction	\$ 873,050
Land	85,000
Professional services	143,472
Legal and administration	53,500
Contingency	44,978
	<u>\$1,200,000</u>



Architect's rendering of the Saratoga community library. Proceeds from the sale of these bonds will be used to finance construction of this 18,500 square-foot building.

LEASE AGREEMENT

The lease agreement between the City of Saratoga and County of Santa Clara was signed and became effective on August 20, 1974, and includes the terms and conditions listed below. The complete text of the lease is available from the city on request.

- o The city will construct the building, parking area, and landscaping, and retain ownership of these facilities after the lease ends.
- o The county will provide furnishings and books, and will staff and operate the library.
- o The term of the lease is 25 years from the date of occupancy, renewable for up to three subsequent 10-year periods.
- o The county will pay rental semiannually in amount sufficient to meet the city's bond principal and interest payments. Rental will cease after the bonds have been completely paid.
- o The county is responsible for all loss or damage to the building. The county will provide insurance on the building and contents for

the benefit of the city and county, as their interests may appear, on the same terms and conditions, forms, and against loss from the same perils as provided for the county-owned buildings and contents. The county's maximum liability is limited to the replacement cost of the building with like kind and quality.

- o In the event of damage to the building by fire or other casualty, the county will restore the premises promptly and with due diligence.
- o In general, rentals are subject to abatement in the event the building becomes untenable. However, the lease states that in the event of damage to the building by fire or other casualty there shall be no abatement of rentals paid by the county. This continuance of rental, however, shall not exceed the time required to complete repairs with due diligence and dispatch.
- o The lease may be canceled and terminated by the county if the whole or a substantial part of the city withdraws from the county library system. In the event the lease is canceled or terminated by the city, the city is to pay at its own expense the principal and interest due on the bonds until they are completely paid.

COUNTY LIBRARY DISTRICT

The Santa Clara County Library District serves the county's unincorporated areas and nine cities which do not maintain their own library systems. The county librarian estimates that the county library system will serve a population of 330,000 in 1976/77. There are currently 900,000 books in the system. The county librarian estimates annual circulation to be 3.7 million volumes, or about 11 volumes per capita. The district has 150 approved permanent employment positions of which 12.5 are in Saratoga.

County library services are funded by a special library tax authorized by California Education Code Section 27263. State law limits the tax rate to \$0.30 per \$100 of assessed valuation. As the accompanying table shows, the county library tax rate is currently \$0.253, a level it has held for three successive years. While the tax rate has remained constant in fiscal years 1974/75 through 1976/77, assessed valuation growth has increased potential library revenues an average of 13.9 percent per year.

The county's maximum fiscal year rental under the Saratoga lease, as determined from the estimated bond service schedule, is \$112,500, or about 2.8 percent of the 1976/77 library budget of \$4,052,761. The county library tax rate has \$0.047 of tax headroom, the currently unused portion of the permissible \$0.30 tax rate. The levy of the full \$0.30 would generate additional revenues of about \$742,600 from the estimated 1976/77 tax base. This is 6.6 times the estimated maximum annual rental payable to the city under the lease agreement.

SANTA CLARA COUNTY LIBRARY DISTRICT
FIVE-YEAR SUMMARY OF ASSESSED VALUATIONS AND TAX RATES

Fiscal Year	Assessed Valuation		Tax Rate*
	Amount	Percent Change	
1972/73	\$ 976,348,660	--	\$0.245
1973/74	1,041,317,668	6.7%	0.263
1974/75	1,142,569,287	9.7	0.253
1975/76	1,311,438,827	14.8	0.253
1976/77	1,480,027,443	12.9	0.253

*Per \$100 assessed valuation.

Source: Santa Clara County Department of Finance; Office of the Santa Clara County Librarian.

The county has entered into lease agreements for the use of several of its branch facilities. Its total budget for rent of structures is \$368,354 in 1976/77, 9.1 percent of the total library budget. The accompanying table shows the total library budget and the budgeted amount for rent of structures for the past five years.

The county librarian has stated that the county plans to lease a library branch to be financed and built by the City of Milpitas. No further branch additions are now planned.

SANTA CLARA COUNTY LIBRARY DISTRICT
FIVE-YEAR SUMMARY OF RENTAL EXPENSE

Fiscal Year	Total Budget	Rental Budget	Percent of Total
1972/73	\$2,611,183	\$449,219	17.2%
1973/74	2,861,024	358,114	12.5
1974/75	3,355,754	420,624	12.5
1975/76	3,744,275	303,410	8.1
1976/77	4,052,761	368,354*	9.1

*Includes \$84,000 rental payment to the City of Saratoga.

Source: Office of the Santa Clara County Librarian, budgets.

CITY OF SARATOGA

The City of Saratoga, a general law city, was incorporated in 1956. A five-member city council governs the city. The city council members are elected for staggered four-year terms and serve without salary. The council selects one of its members to serve as mayor. The city manager-city clerk is the administrative head of the city government. He is appointed by the city council and his position is full-time and salaried. Following are brief biographies of the city council members and the city manager-city clerk.

Colman Bridges, Mayor - Mr. Bridges has served as mayor since 1974. A resident of Saratoga since 1964, Mr. Bridges is owner and operator of the Town and Country Market, Palo Alto, California.

Henry J. Kraus, Vice Mayor - Mr. Kraus was first appointed to the city council in 1971. He has resided in the City of Saratoga for over 15 years. Mr. Kraus is an engineer with International Business Machines, San Jose, California.

John Brigham, Jr., Councilman - Mr. Brigham has served on the council since 1974. By profession he is a cost accountant employed by Varian Associates, Palo Alto, California.

The City of Saratoga council chambers and city offices are centrally located within the Saratoga civic center.



Margaret L. Corr, Councilwoman - Mrs. Corr has served on the council since 1974 and has resided in the City of Saratoga since 1964. She is a past president of the Saratoga-Los Gatos League of Women Voters.

Norman Matteoni, Councilman - Mr. Matteoni has served on the council since 1974. He is an attorney at law and has resided in the city for 12 years.

Robert F. Beyer, City Manager - Mr. Beyer has served as city manager-city clerk and has been a resident of Saratoga since 1972. Prior to his current appointment he was assistant to the city manager of Berkeley, California. He has 12 years experience in the city management profession and is a graduate of San Francisco State University.

LOCATION

The City of Saratoga is located in the Santa Clara Valley at the foothills of the Santa Cruz Mountains. Covering an area of about 12 square miles, the city is about 50 miles from San Francisco, 14 miles from the City of San Jose, and 26 miles from the Pacific Ocean. The area enjoys a mild climate year-round. The surrounding Santa Cruz Mountains and the Diablo Range protect the city from ocean fogs and the hot dry summers of the Central Valley. Average daytime temperatures from May through October are about 80 degrees. From November through April, daytime temperatures average about 65 degrees. Average annual rainfall is 29.38 inches, occurring during November through May.

HISTORY AND BACKGROUND

The city was first settled in 1846 when William Campbell and his sons established a sawmill in the area. The settlement was originally named Toll Gate. Nearby mineral springs reminded local residents of the resort area of Saratoga Springs, New York, and in 1865 the town was officially renamed Saratoga.

Orchards covered the area until the 1940's when they began giving way to subdivision developments. According to the city's published history, opposition to annexation by neighboring cities motivated the successful campaign to incorporate the city in 1956. The incorporation campaign was based on the goal of preserving the residential character of the community by restricting commercial development and industry.

The City of Saratoga is today primarily a residential suburban community serving the San Jose metropolitan area and the San Francisco peninsula.

POPULATION

Population in the city as of January 1, 1976 was estimated at 29,300 by the California Department of Finance. Population growth in the city and

in Santa Clara County since 1960 are shown in the following table. During the decade of the 1960's, the city's rate of population growth exceeded that of the county. Since 1970, however, the city's rate of increase has dropped slightly below that of the county.

CITY OF SARATOGA, SANTA CLARA COUNTY
POPULATION, 1960-1976

	City of Saratoga	Percent Change	Santa Clara County	Percent Change
1960 U.S. Census	14,861	--	642,315	--
1970 U.S. Census	27,110	82.4%	1,066,174*	66.0%
April 1, 1971	27,550	1.6	1,093,600*	2.6
December 1, 1972	29,350	6.5	1,122,000	2.6
April 1, 1973	30,050	2.4	1,147,500	2.3
January 1, 1974	29,700	-1.2	1,169,600	1.9
January 1, 1975	29,100	-2.0	1,165,800	-0.3
January 1, 1976	29,300	0.7	1,178,000	1.0

*July 1.

Source: California Department of Finance.

School- and middle-aged individuals dominate the city's population according to data from the 1970 U.S. Census and the Santa Clara 1975 county-wide census. There are higher proportions of these two age groups in the city than in Santa Clara County as a whole. In 1975, 39.8 percent of the city's residents were less than 20 years of age, as compared to 35.6 percent of the county's population. About 41 percent of the city's residents were between the ages of 35 and 64, whereas 30.2 percent of the county's population fell in this age group. The city has a small population in the 20 to 34 age group (13.2 percent), less than half of the county's proportionate share. Age distributions of the city and county populations are shown in the following table.

Residents in the city have higher educational levels than the median in the county or in the state. In 1970, the median years of school completed by adult residents in the city was 14.2 years, versus 12.6 years for the county, and 12.4 years for the state.

MUNICIPAL SERVICES

The city has restricted the number of functions and services it performs by relying for many services on special districts, contracts with the county, and private operators.

CITY OF SARATOGA, SANTA CLARA COUNTY
AGE DISTRIBUTION OF POPULATION

Ages	1970 Census				1975 Census			
	Saratoga		Santa Clara County		Saratoga		Santa Clara County	
	Population	Percent	Population	Percent	Population	Percent	Population	Percent
0-19	11,981	44.1%	426,760	40.1%	11,588	39.8%	415,589	35.6%
20-34	3,156	11.6	257,466	24.2	3,851	13.2	313,014	26.8
35-64	10,298	38.1	316,525	29.7	11,846	40.6	353,483	30.2
65+	1,675	6.2	63,963	6.0	1,763	6.0	73,009	6.2
Unknown	--	--	--	--	102	0.4	13,911	1.2
Total	27,110	100.0%	1,064,714	100.0%	29,150	100.0%	1,169,006	100.0%

Source: U. S. Census, 1970; Santa Clara County 1975 countywide census.

The City of Saratoga contracts for its police services with the Santa Clara County Sheriff's Department. The city pays for general law enforcement based upon the number of activity hours the sheriff's department spends within the city limits. The city spent about \$350,000 for police services in 1975/76 and estimates that it will spend about \$413,500 in 1976/77.

San Jose Waterworks and Green Valley Disposal Company, two private firms, provide water and solid waste disposal services. The city receives 10 percent of Green Valley Disposal Company's total gross revenues within the city.

Fire protection services are provided by the Saratoga Fire District and the Central Fire District. The Saratoga Fire District, which serves 40 percent of the area in the city, is directed by an elected three-member fire commission. Central Fire District is headed by a commission appointed by the Santa Clara County Board of Supervisors. Cupertino Sanitation District, which is governed by an elected board of directors, and Sanitation District No. 4, a county district which covers parts of six cities and which is governed by representatives from the cities and county, provide sewer services within the city.

Services provided by the city include street maintenance, engineering services, building inspection, planning and zoning, and parks and recreation. The city currently owns seven parks, comprising 32.5 acres. The city also operates a community center and offers youth programs, special interest classes, senior citizen programs, and community service programs for its citizens.

CAPITAL IMPROVEMENT PROGRAM

The city's capital improvement program is based upon pay-as-you-go financing. Revenue sharing funds, gasoline taxes, park development fees (collected in lieu of dedications in new subdivisions for parks), storm drain fees (imposed on subdivisions and building sites), and state and federal subventions are the primary sources of revenue for the city's capital improvement program.

The city has a three-year capital improvement program for 1976/77 through 1978/79. As of June 1976, total expenditures for the city's capital improvement program for the next three years are projected as follows in the City of Saratoga, Capital Improvement Program of June 15, 1976: 1976/77 - \$2,150,100; 1977/78 - \$368,250; and 1978/79 - \$185,000.

The city's 1976/77 program includes \$1,120,000 for construction of the community library, which will account for about 52 percent of the program's funds for the year. Other capital improvement projects planned for 1976/77 will primarily be park acquisition and development and street maintenance and improvement projects. Projects currently planned for 1977/78 and 1978/79 are primarily street maintenance and improvement projects.

CITY FINANCIAL DATA

OUTSTANDING DEBT

Prior to the sale of library bonds, the city's bonded debt has been restricted to special assessment bonds issued to finance local street, sewer, and drainage improvements. The most recent issue of assessment bonds was sold in April 1968. The combined principal outstanding on July 1, 1976 was \$385,489.

All assessment bonds were issued under the Improvement Act of 1915 (California Streets and Highways Code, Division 10). The table below shows the city's outstanding assessment bonded debt as of June 30, 1976 for the past five years.

<u>June 30</u>	<u>Debt Outstanding</u>
1972	\$797,474
1973	625,474
1974	472,978
1975	426,481
1976	385,489

Source: Audited financial statements.

The accompanying table shows direct and overlapping debt for the City of Saratoga as of November 17, 1976. The table was prepared by Bartle Wells Associates from data supplied by California Municipal Statistics, Inc.

CITY DEBT LIMITS

State law prescribes the limitations on debt applicable to the City of Saratoga in common with all California general law cities. Government Code Section 53605 restricts the city from incurring general obligation bonded indebtedness for public improvements which would exceed in the aggregate 15 percent of the assessed value of all real and personal property of the city. General obligation bond authorization requires assent by two-thirds of the electors voting on the proposition (Section 43614). Revenue bonds may be issued if authorized by a majority of the voters voting upon the measure (Section 54300 ff.). The city may issue promissory notes or warrants in an amount not to exceed 50 percent of its revenues from taxes levied for the current fiscal year or that portion of taxes which were not collected at the time of borrowing (Section 53820 ff.). These notes or warrants must be repaid within the fiscal year. The city may further issue negotiable promissory notes in an amount which together with the interest payable would not exceed 85 percent of the estimated amount of uncollected taxes, income, revenue, cash receipts, and other moneys the city should have available in that fiscal year for the repayment of the notes and interest (Section 53850 ff.).

CITY OF SARATOGA
DIRECT AND OVERLAPPING BONDED DEBT

	Percent Applicable	Debt as of 11/17/76
Santa Clara County	3.081%	\$ 3,021,143
Santa Clara County FC&WCD, Zone NC -1	12.318	1,248,429
Santa Clara County FC&WCD, Zone W-1	3.970	1,612,416
Santa Clara Valley WCD	1.271	10,626
County Sanitation District No. 4 (various)	16.071-25.111	910,561
Foothill Community College District (various)	1.401-1.403	212,380
Los Gatos Joint UHSD (various)	39.498-40.044	1,334,227
Campbell UHSD (various)	4.319-4.380	377,786
Fremont UHSD (various)	2.995-3.449	354,695
Campbell USD (various)	5.005-5.144	296,144
Cupertino USD (various)	5.162-5.346	442,441
Moreland School District (various)	9.273-9.299	163,379
Saratoga USD (various)	86.165-88.414	1,281,115
City of Saratoga	100.	1,200,000 ¹
Saratoga Village Parking District	100.	265,000
City of Saratoga 1915 Act bonds	100.	342,000 ²
Sanitation District No. 4 1915 Act bonds	25.0 ²	306,000
Cupertino Sanitation District	23.578	293,546
Saratoga Fire District	99.331	11,920
Total Gross Direct and Overlapping Bonded Debt		\$13,683,808
Less: FC&WCD, Zone W-1 (100% self-supporting)		1,612,416
Santa Clara Valley WCD (100% self-supporting)		10,626
Total Net Direct and Overlapping Bonded Debt		\$12,060,766

	1976/77 A. V. (\$173,748,680)	1976/77 Est. Market Value (\$751,021,300)	1976 Population (23,300) ³
Ratios to:			
Direct debt	0.69%	0.16%	\$ 40.96
Total gross debt	7.88	1.82	467.02
Total net debt	6.94	1.61	411.63

Share of authorized and unsold bonds: Campbell UHSD - \$34,383; Cupertino USD - \$171,965; and Moreland School District - \$125,908. Share of state school building aid repayable as of June 30, 1976 - \$3,869,798.

1 - To be sold November 17, 1976.

2 - Estimated.

3 - State Department of Finance estimate.

Source: Based on data provided by California Municipal Statistics, Inc.

ASSESSED VALUATION

The Santa Clara County assessor assesses all property within the city, except utility property which is assessed by the state. The State Board of Equalization reports that locally assessed property is assessed at 23.1 percent of its full market value. Utility property is assessed at 25 percent of full market value. California Revenue and Taxation Code Section 401 requires that all property subject to general property taxation be assessed at 25 percent of full cash value. Under California law, 50 percent of the assessed valuation of business inventories are exempt from taxation.

Owner-occupied dwelling units also have a current tax exemption of \$7,000 of the full cash value which is equivalent to \$1,750 of the assessed valuation. Revenues lost to the city due to these two exemptions are fully reimbursed by a state subvention.

The city's assessed valuation for 1976/77 is \$173,748,680, including the homeowners' and business inventory exemptions. The current year's assessed valuation represents an increase of 21.8 percent over 1975/76. For the past four years, the city's assessed valuation has been increasing at an average annual rate of 15.5 percent. A detail of the 1976/77 assessed valuation and a five-year history of the city's assessed valuation and tax rates are provided in the following tables.

TAX RATES AND LIMITATION

In 1972 and 1973 the California legislature passed legislation restricting increases in property tax rates. This legislation generally limits the tax rate to that levied in 1971/72 except where enabling legislation sets a specific rate limitation. Unless authorized by a majority of the voters, tax revenue increases above the 1971/72 level are limited to that required to reflect growth in population and the California Price Index. Tax rate levies for general obligation bonds are not restricted, but such bonds require approval by two-thirds of all persons voting.

The city's 1976/77 tax rate is \$0.23 per \$100 of assessed valuation. The city's maximum allowable tax rate in accordance with California Revenue and Taxation Code Section 2262.1 is \$1.00 per \$100 of assessed valuation.

There are 64 tax code areas in the city. Tax code area 15-042 is the largest in terms of assessed valuation, accounting for 20.5 percent of the city's 1975/76 net assessed valuation. The 1975/76 total tax rate and its major components for tax code area 15-042 are shown in the accompanying table. The total tax rate, \$12.119 per \$100 assessed valuation, is representative of most tax code areas in the city. The range of tax rates for 1975/76 is \$11.063 to \$13.819.

CITY OF SARATOGA
DETAIL OF 1976/77 ASSESSED VALUATION

	Local Secured	Local Unsecured	State Assessed	Total
Land	\$ 53,922,730	\$ 5,800	\$ 141,790	\$ 54,070,320
Improvements	114,466,444	986,010	1,219,150	116,671,604
Personal property	565,008	3,216,240	2,096,390	5,877,638
Total	\$168,954,182	\$4,208,050	\$3,457,330	\$176,619,562
Less: Other exemptions	2,863,652	7,230	--	2,870,882
Total	\$166,090,530	\$4,200,820	\$3,457,330	\$173,748,680
Less: Homeowners' exemptions	13,445,250	--	--	13,445,250
Less: Business inventory exemptions	112,395	769,220	--	881,615
Net Value	\$152,532,885	\$3,431,600	\$3,457,330	\$159,421,815

Source: Santa Clara County Department of Finance.

CITY OF SARATOGA
FIVE-YEAR HISTORY OF ASSESSED VALUATIONS AND TAX RATES

Fiscal Year	Net Secured Valuation	Net Utility Valuation	Net Unsecured Valuation	State Reimbursed Exemptions	Total Tax Base	Percent Change	City Tax Rate
1972/73	\$ 88,045,390	\$2,639,510	\$2,341,430	\$ 5,173,720	\$ 98,200,050	--	\$0.20
1973/74	87,174,602	2,598,080	2,315,670	12,715,048	104,803,400	6.7%	0.20
1974/75	98,264,790	2,830,470	2,819,580	13,675,606	117,590,446	12.2	0.20
1975/76	122,127,888	2,958,830	3,403,880	14,167,414	142,658,012	21.3	0.25
1976/77	152,532,885	3,457,330	3,431,600	14,326,865	173,748,680	21.8	0.23

Source: Santa Clara County Department of Finance; City of Saratoga.

CITY OF SARATOGA - TAX CODE AREA 15-042
TOTAL 1975/76 TAX RATES

	Tax Rate/ \$100 Assessed Valuation
Santa Clara County	\$ 2.596
Santa Clara County Library District	0.253
City of Saratoga	0.250
Schools	7.142
School bonds	0.534
Saratoga Fire District	0.664
Saratoga Fire District bonds	0.004
Midpeninsula Regional Park District	0.100
Bay Area Pollution District	0.016
Saratoga Cemetery District	0.089
Santa Clara Valley Water District	0.147
All Property Tax Rate	<u>\$11.795</u>
County Sanitation District No. 4*	0.121
County Sanitation District No. 4 bonds*	0.088
Santa Clara Valley Water District*	0.088
Flood Control District North Central Zone bonds*	0.027
Total All Rates	<u>\$12.119</u>

*Applied to land and improvements only.

Source: Santa Clara County Department of Finance.

TAX COLLECTIONS

In accordance with the State of California Revenue and Taxation Code, the Santa Clara County tax collector collects secured tax levies for the fiscal period July 1 to June 30 each year. One-half of the tax levy is due November 1, and becomes delinquent December 10 at a penalty of 6 percent. The other half of the tax levy is due February 1, and if taxes are unpaid by April 10, a 6 percent penalty is added. A charge of \$3.00 for preparing the list of delinquent parcels is also attached to each delinquent tax item.

A five-year history of the City of Saratoga's tax delinquency rate is shown in the following table. In the past five years, the highest rate recorded was 2.9 percent in 1972/73. In succeeding years the rate has varied from 2.5 to 0.4 percent.

CITY OF SARATOGA
TAX LEVIES AND DELINQUENCIES

Year Ending June 30	Tax Levies ¹	Tax Collections ²	Amount Delinquent	Percent Delinquent
1972	\$181,406	\$176,142	\$5,264	2.9%
1973	196,400	192,786	3,614	1.8
1974	209,607	208,728	879	0.4
1975	235,181	231,631	3,550	1.5
1976	356,645	347,845	8,800	2.5

1 - Tax rate x total assessed valuation.

2 - Does not include prior years' delinquencies nor penalties/interest on delinquent taxes. From audited financial statements.

Source: City of Saratoga.

LARGEST TAXPAYERS

The city's ten largest taxpayers are shown in the accompanying table. Assessed valuations shown are for 1974/75. The ten largest taxpayers' valuations comprise 2.1 percent of the city's total tax base.

CITY OF SARATOGA
LARGEST TAXPAYERS, 1974/75

Name	Assessed Valuation
Seagram & Sons, Inc. (Paul Masson)	\$856,315
San Jose Water Works	425,192
Stern Thomas W. Trustee	255,095
Peninsula Recreation Inc.	221,430
Valley Title Company	148,285
Galeb, Slobodan	147,892
Grand Lodge of the 100F	139,205
MVS Company	117,195
Mardesich, Nick	114,995
Spaich, Nedjo and Della	105,145

Source: City of Saratoga.

REVENUES, EXPENDITURES, AND BALANCE SHEETS

The city uses the modified accrual basis of accounting, under which expenditures are recorded when the liability is incurred and revenues are recorded when received in cash unless susceptible to accrual. The accounts of the city are organized on the basis of funds or groups of accounts, each of which is considered to be a separate accounting entity.

Audited financial statements have been reported on to the city by Peat, Marwick, Mitchell & Co. The auditor's examinations have been made in accordance with generally accepted auditing standards. Copies of complete audit reports are available upon request to the city. Peat, Marwick, Mitchell & Co. has not participated in the preparation of this official statement.

The accompanying table summarizes the City of Saratoga's revenues and expenditures for fiscal years 1971/72 through 1975/76. The summary covers all funds of the city except special assessment, maintenance, and lighting district funds, all of which are completely restricted. The table was prepared by Bartle Wells Associates from the city's audited financial statements.

The city's revenues have increased 30 percent in the five years shown in the table. Each revenue category except "Other" increased during the period resulting in relatively small adjustments in the composition of revenues.

Expenditures increased 44 percent in this period. The proportion of expenditures for community services and public safety increased relative to the other expenditure categories. These two categories represent 42 percent of expenditures in 1975/76 versus 26 percent in 1971/72.

Expenditures, which include capital improvements and capital replacement reserve accruals, exceed revenues in the last three years shown. According to the city staff this reflects the conversion of current assets in certain funds to general fixed assets. From June 30, 1974 to June 30, 1976, total assets increased \$678,813, general fixed assets increased \$1,306,318, and current assets (total assets less general fixed assets) decreased \$627,505. Balance sheets for 1974/75 and 1975/76 are shown in the following table. The table was prepared by Bartle Wells Associates from audited financial statements.

INSURANCE

The city maintains the following types of insurance with coverage up to \$500,000: general liability, automobile liability, automobile physical damage, errors and omissions, and blanket property (fire). The city also purchased excess liability up to a \$10 million limit. The city also holds a treasurer's bond and administrator's bond of \$100,000 each. All other city employees have a blanket fidelity coverage of \$50,000.

CITY OF SARATOGA
REVENUES AND EXPENDITURES¹

	1971/72	1972/73	1973/74	1974/75	1975/76
<u>Revenues</u>					
Property taxes - current	\$ 176,142	\$ 192,786	\$ 208,728	\$ 231,820	\$ 347,846
Property taxes - prior	6,087	3,650	3,647	3,274	4,895
Other taxes	289,582	323,037	363,594	373,602	431,173
Licenses and permits	8,218	8,307	6,217	27,867	27,745
Fines	40,151	40,053	32,005	47,855	70,809
Use of money and property	91,976	149,237	155,725	152,542	105,999
State revenues	534,702	547,992	606,246	573,749	591,014
Federal revenues	21,838	196,935	145,230	124,695	193,588
Current services	146,019	161,693	137,564	173,895	192,996
Other	117,389	83,411	108,784	117,217	107,118
Total Revenues	\$1,392,857	\$1,707,101	\$1,767,470	\$1,826,516	\$2,073,183
<u>Expenditures²</u>					
General government	\$ 209,014	\$ 223,883	\$ 175,213	\$ 221,734	\$ 259,482
Planning	55,503	74,952	96,620	117,048	124,413
Community services	94,211	161,653	255,856	334,218	365,417
Public safety	291,491	330,438	379,288	431,428	544,945
Public works	313,529	379,179	609,435	476,805	518,981
Capital improvements	424,114	367,076	368,951	434,463	323,025
Total Expenditures	\$1,387,862	\$1,537,181	\$1,885,363	\$2,015,696	\$2,136,263

1 - Revenues and expenditures are consolidated for all funds except special assessment, maintenance, and lighting district funds.

2 - Transfers to replacement fund are treated as expenditures.

Source: Prepared by Bartle Wells Associates from audited financial statements.

CITY OF SARATOGA
ALL FUNDS AND ACCOUNT GROUP
COMBINED BALANCE SHEETS, AS OF JUNE 30

	1975	1976
<hr/>		
<u>Assets</u>		
Cash on hand and in banks	\$1,737,330	\$1,588,267
Accounts receivable		
County of Santa Clara	11,999	29,330
State of California	11,500	61,657
Federal government	28,982	32,182
Other	2,550	3,016
Special assessments receivable		
Delinquent	14,065	7,097
Deferred	545,135	495,213
Interest receivable	20,285	20,138
Taxes receivable - delinquent	2,362	6,717
Prepaid insurance	833	1,556
General fixed assets	6,096,458	6,350,751
Total	<u>\$8,471,499</u>	<u>\$8,595,924</u>
 <u>Liabilities and Fund Balances</u>		
Accounts payable	\$ 252,542	\$ 209,281
Payroll taxes withheld and other		
payroll deductions	5,977	1,050
Refundable deposits	17,791	37,218
Reserve for delinquent taxes receivable	2,362	6,717
Public improvement bonds*	426,481	385,489
Interest payable	181,341	160,267
Investment in general fixed assets	6,096,458	6,350,751
Fund balance	1,488,547	1,445,151
Total	<u>\$8,471,499</u>	<u>\$8,595,924</u>

*The public improvement bond liabilities are repaid by funds collected from individual property owners and are liens on parcels of property within each improvement district. These bonds were issued under the provisions of the Improvement Bond Act of 1915 and are primary obligations of the individual property owners and contingent obligations of the city.

Source: Prepared by Bartle Wells Associates from audited financial statements.

LABOR RELATIONS

The city has 51 full-time employees, 42 of whom are classified as non-management employees. The non-management employees are represented by the City of Saratoga Employees Association, an autonomous association unaffiliated with any national labor organization. Wages, benefits, and condition of employment are determined in meet-and-confer sessions held between the association and the city's management negotiating committee. The current memorandum of understanding is effective for the two-year period between July 1, 1976 and June 30, 1978. The memorandum provides for the following increases in compensation:

1. Increases in salary and other forms of compensation and benefits averaging 6.1 percent through June 30, 1977.
2. A compensation increase effective July 1, 1977 based on the percentage change in the Consumer Price Index for the San Francisco-Oakland Bay Area but not less than 3 percent and not more than 6 percent.

LITIGATION

In the opinion of the city attorney, the city is not party to any legal proceedings which may affect its ability to meet its obligations to holders of the bonds.

PENSION OBLIGATIONS

Employees of the city participate in a defined benefit pension plan which is administered in accordance with a contract by the State of California Public Employees' Retirement System (PERS). PERS is a statewide system operated pursuant to Title 2, Division 5, Part 3 of the Government Code. State law requires that PERS undergo actuarial review not less often than every fourth year. The last such review was conducted by Actuarial Systems, Inc., independent actuaries and consultants for the four-year period ending June 30, 1973. The actuary also made actuarial valuations of the system as of June 30, 1973 and June 30, 1974 and identified substantial "unfunded supplemental liabilities" in the state system. Notwithstanding the generally adverse actuarial experience realized during the review period, the actuary concluded that PERS is fiscally sound. Additional information about PERS may be obtained from the system's office at 1416 Ninth Street, Sacramento, California 95814.

State law provides that, when rendered necessary by changes in benefits or by periodic actuarial review, PERS may modify the amounts of annual pension contributions by agencies contracting with it. Annual contributions for the local miscellaneous employees group, which include city employees, was increased on July 1, 1976.

The contribution rate, expressed as a percentage of base salary, was increased by an added 1 percent and will increase at a rate of 1 percent

per year for the next two years. As of July 1, 1976, the city's contribution rate is 8.18 percent of base salary.

The tabulation below shows the number of employees participating in the plan and the city's annual pension contributions for each of the past five fiscal years.

Fiscal Year	Number of Persons Enrolled	City of Saratoga's Annual Contributions	Percent Change
1971/72	40	\$33,212.74	--
1972/73	43	33,122.52	-0.3%
1973/74	50	35,798.83	8.1
1974/75	51	43,930.27	22.7
1975/76	54	51,649.80	17.6

Source: City of Saratoga..

THE LOCAL ECONOMY

INCOME

Income distributions of households in Saratoga and in Santa Clara County are shown in the following table. Over 51 percent of all households in the city had incomes exceeding \$16,000 in 1974. About 40.1 percent of the households were in the \$16,000 to \$39,999 income bracket and the other 11 percent were in the \$40,000 or more income group. By comparing the county as a whole, 26.5 percent of the households had incomes between \$16,000 and \$39,999, and 1.8 percent had incomes equal to or exceeding \$40,000 per year.

CITY OF SARATOGA, SANTA CLARA COUNTY INCOME DISTRIBUTION BY HOUSEHOLDS, 1974

	Saratoga		Santa Clara County	
	Households	Percent	Households	Percent
Less than \$ 4,000	144	1.7%	24,029	6.1%
\$ 4,000 - \$ 9,999	323	3.9	51,152	13.0
\$10,000 - \$15,999	607	7.3	70,841	18.1
\$16,000 - \$23,999	1,138	13.8	66,576	17.0
\$24,000 - \$39,999	2,179	26.3	37,152	9.5
\$40,000 - \$49,999	462	5.6	3,860	1.0
\$50,000 or more	444	5.4	3,240	0.8
Unknown	2,973	36.0	135,551	34.5
Total	8,270	100.0%	392,401	100.0%

Source: Santa Clara County 1975 countywide census.

Based on the 1975 countywide census data, Bartle Wells Associates estimates that the median family income in the city for 1974 was \$26,460, about 82 percent higher than in Santa Clara County and more than twice that in the nation. The Santa Clara County Planning Department estimates that the county's median family income in 1974 was \$14,566, and the U.S. Bureau of Census estimates that the U.S. median family income in 1974 was \$12,836.

Effective buying income data are not available for the city. According to Sales Management: Survey of Buying Power, Santa Clara County's median household effective buying income in 1974 was \$15,857, about 27 percent higher than in California as a whole, and about 33 percent higher than in the United States as a whole. Median household effective buying income data for Santa Clara County, California, and the United States are provided in the following table.

SANTA CLARA COUNTY, CALIFORNIA, UNITED STATES
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME

	1971	1972	1973	1974
Santa Clara County	\$11,426	\$11,420	\$12,509	\$15,857
California	9,123	9,209	10,083	12,480
United States	8,463	8,605	9,544	11,890

Source: Sales Management: Survey of Buying Power.

Professional-technical people compose the largest occupational group in the city, accounting for nearly 33 percent of the employed workers surveyed in the State of California 1970 population census. Non-farm managers and administrators (16.8 percent) and clerical workers (16.8 percent) were the next two largest occupational groups. Employment by occupation in the City of Saratoga is compared to employment in Santa Clara County in the following table.

CITY OF SARATOGA, SANTA CLARA COUNTY
EMPLOYMENT BY OCCUPATION, 1970

	Saratoga		Santa Clara	
	Number Employed	Percent	Number Employed	Percent
Professional, technical, kindred	4,166	32.9%	128,094	23.0%
Managers and administrators, non-farm	2,129	16.8	43,343	7.8
Clerical and kindred	2,127	16.8	130,304	23.4
Sales workers	1,429	11.3	43,354	7.8
Service workers	1,001	7.9	61,171	11.0
Craftsmen, foremen, and kindred	642	5.1	50,604	9.1
Operatives	495	3.9	71,088	12.7
Laborers, non-farm	308	2.4	17,243	3.1
Private household workers	305	2.4	7,457	1.3
Farm workers	48	0.4	5,032	0.9
Total Employed	12,650	100.0%	557,690	100.0%

Source: Saratoga; Basic Data and Background Report, 1974.



IBM has several manufacturing facilities in Santa Clara County and is one of the county's largest employers. The IBM facility at Cottle Road in San Jose, shown in the photograph above, employs about 7,500 workers principally in the development and manufacture of IBM's high performance storage systems and system printers. *(Photo courtesy of IBM Corporation)*



Paul Masson Vineyards is the City of Saratoga's only industry. An 80-acre vineyard and a storage and bottling facility are located in the city. *(Browne Vintners Co. photo)*

HOUSING

There were 8,515 housing units in the city in 1975, as surveyed by the 1975 countywide census. Over 93.3 percent of the housing units were single family units, and about 87 percent were owner-occupied.

In 1970, according to U.S. Census data, the median value of owner-occupied homes in the city was \$46,700. This was 70 percent higher than the median value of homes in Santa Clara County and 100 percent higher than the median value in the state. The city's planning department estimates that currently the average selling price of homes is over \$80,000. Data compiled by Security Pacific Bank indicate that new single family units for which permits were issued in the first six months of 1976 were averaging about \$99,000, excluding the cost of the lot.

Building valuations in the City of Saratoga for the past five years are shown in the accompanying table. Single family units have annually accounted for more than 60 percent of the city's total building valuation. Commercial and industrial valuation represent about 10 percent or less of the total building valuation.

EMPLOYMENT AND ECONOMY

The city is included in the San Jose Standard Metropolitan Statistical Area (SMSA), which is coterminous with Santa Clara County. Annual employment statistics in the SMSA are provided in the following table. The California Employment Development Department estimated that total employment in the SMSA in June 1976 was 492,700. Manufacturing is the largest employment sector, accounting for 31.5 percent of the total employment. Services (20.8 percent) and trade (19.5 percent) are the next largest employment sectors. The SMSA's seasonally adjusted unemployment rate was 8.2 percent in June 1976, and rose to 8.4 percent in July. As shown in the accompanying table, unemployment in the SMSA has been lower than the state's unemployment rate, but higher than the national rate.

SAN JOSE SMSA, CALIFORNIA, UNITED STATES SEASONALLY ADJUSTED UNEMPLOYMENT RATES, 1971-1976

	1971	1972	1973	1974	1975	June 1976	July 1976
San Jose SMSA	7.3%	7.9%	5.8%	5.9%	9.2%	8.2%	8.4%
California	8.8	7.6	7.0	7.3	9.9	9.2	9.4
United States	5.9	5.6	4.9	5.6	8.5	7.5	7.8

Source: California Employment Development Department; U.S. Bureau of Labor Statistics.

CITY OF SARATOGA
BUILDING VALUATION, 1971-1976

	1971	1972	1973	1974	1975	Six Months 1976
NEW BUILDING VALUATIONS (\$000's)						
<u>Single-Family Dwellings</u>						
Number of units	341	285	167	144	182	55
Total Valuation	\$10,749	\$10,664	\$ 6,845	\$ 8,090	\$13,538	\$ 5,464
<u>Multi-Family Dwellings</u>						
Number of units	23	--	89	--	--	--
Total Valuation	\$ 384	\$ --	\$ 1,957	\$ --	\$ --	\$ --
Commercial	\$ 528	\$ --	\$ 79	\$ 140	\$ 925	\$ 1,682
Industrial	--	--	--	--	119	380
Alterations and additions	693	875	676	969	1,457	711
Other	1,632	1,200	1,327	1,649	1,085	2,035
Total Building Valuation	\$13,986	\$12,739	\$10,884	\$10,848	\$17,124	\$10,272

AVERAGE VALUATION OF NEW SINGLE-FAMILY DWELLING UNIT*

Saratoga	\$31,522	\$37,418	\$40,988	\$56,181	\$74,385	\$99,345
Santa Clara County	20,429	22,847	25,440	31,480	35,709	37,620

*Compiled by Bartle Wells Associates based on the above data.

Source: Security Pacific National Bank.

SAN JOSE METROPOLITAN AREA
ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY, 1971-1976

	1971	1972	1973	1974	1975	June 1976 ¹
Mineral extraction	100	100	100	100	100	100
Construction	18,500	19,300	20,300	19,900	17,900	18,400
Manufacturing	117,400	124,500	144,100	158,900	151,600	155,400
Nondurable goods	24,600	24,600	25,600	26,300	25,500	23,000
Food and kindred products	13,800	13,300	14,000	14,400	14,300	12,100
Printing and publishing	4,900	5,400	5,200	5,100	4,900	6,300 ²
Other nondurable goods	5,900	5,900	6,400	6,800	6,300	4,600
Durable goods	92,800	99,900	118,500	132,600	126,100	132,400
Aerospace	64,500	70,200	84,100	92,100	88,300	92,200
Ordinance	19,000	18,800	18,800	20,000	21,700	21,100
Electrical equipment	43,200	48,900	62,000	68,400	63,000	67,400
Instruments	2,300	2,500	3,300	3,700	3,600	3,700
Stone, clay, and glass	2,700	2,800	2,800	3,100	2,900	3,000
Fabricated metals	3,000	3,000	3,300	3,500	3,700	3,800
Nonelectrical machinery	16,400	17,400	21,200	25,300	24,400	26,200
Other durable goods	6,200	6,500	7,100	8,600	6,800	7,200
Transportation, communication, and utilities	17,500	18,200	18,700	19,000	18,800	18,800
Trade	74,200	79,800	84,900	88,800	91,200	96,000
Wholesale	15,500	16,500	18,400	19,300	19,900	20,800
Retail	58,700	63,300	66,500	69,500	71,300	75,200
Finance, insurance, and real estate	14,000	15,800	17,100	17,900	18,200	18,700
Services	75,600	82,200	89,800	94,000	96,500	102,700
Government	61,600	65,100	67,300	71,000	74,800	76,800
Federal	9,400	9,500	9,300	9,400	9,400	9,400
State and local	52,200	55,600	58,000	61,600	65,400	67,400
Agriculture	6,800	5,900	6,200	6,100	5,600	5,800
Total	385,700	410,900	448,500	475,700	474,700	492,700
Civilian Labor Force	465,000	505,000	544,000	561,000	578,000	597,700
Employed	431,000	465,000	513,000	528,000	525,000	542,800
Unemployed	34,000	40,000	31,000	33,000	53,000	54,900

¹ - Preliminary.

² - Includes paper products.

Source: California Employment Development Department, Employment Data and Research; U. S. Bureau of Labor Statistics.

Some of Santa Clara County's largest industrial employers are within commuting distance of the city. They include the following:

- o Lockheed Missiles and Space Center
- o Hewlett Packard
- o International Business Machines
- o General Electric
- o FMC Corporation
- o Ford Motor Company
- o Fairchild Semiconductor Corporation

Paul Masson Vineyards is the city's only industry. While its wine-making facilities and most of its vineyards are located in the Salinas Valley, the winery has an 80-acre vineyard and a storage and bottling facility in Saratoga. During its peak season, the winery employs 350 to 400 workers at its plant in the city.

TRANSPORTATION

Saratoga is served by three major freeway systems. Interstate 280, the Junipero Serra Freeway, and U.S. 101, the Bayshore Freeway, pass north of the city linking San Francisco to San Jose. Highway 17 passes south-east of the city as it runs between Santa Cruz and San Jose and on into Alameda County. State Highway 85 (Saratoga-Sunnyvale Road) and State Highway 9 (Saratoga-Los Gatos Road) directly connect the city to the three freeways.

San Jose Municipal Airport is located nearby. Western Airlines, United Airlines, TWA, Hughes Air West, Air California, and PSA provide international, national, and intra-state air service from San Jose. San Francisco International Airport is within an hour's driving distance from the city.

Rail passenger service is available through AMTRAK which has a terminal in San Jose. The Southern Pacific Railroad provides commuter train service between San Francisco and San Jose. Freight service is provided by a spur line of the Southern Pacific Railroad which runs from San Jose across Saratoga.

The city is on the Greyhound bus route from Los Gatos to San Francisco, with connections to other points in California. The Santa Clara County Transit District provides regularly scheduled bus service within the city.

RETAIL TRADE

Taxable sales for the City of Saratoga are provided in the following table. The city's principal shopping area is the central business district, which is called Saratoga Village. The village covers a six-block

area consisting of gift, antique, boutique, and other specialty shops. Reflecting the city's policy of restricted commercial development, per capita taxable sales in the city (\$770) in 1975 were substantially lower than the county's per capita taxable sales (\$3,450).

CITY OF SARATOGA TAXABLE SALES

	Total Retail Stores		Total All Outlets	
	Permits	Taxable Transactions	Permits	Taxable Transactions
1971	129	\$10,282,000	401	\$13,712,000
1972	142	12,060,000	476	18,332,000
1973	142	13,980,000	506	17,930,000
1974	143	14,691,000	541	21,229,000
1975	133	15,725,000	555	22,537,000
1st quarter, 1976	139	3,697,000	588	5,464,000

Source: California State Board of Equalization.

COMMUNITY FACILITIES

Utilities - Pacific Gas and Electric Company provides gas and electrical power, and Pacific Telephone Company provides telephone service to residents in the city.

Medical - There are no hospitals located within the city. Residents of Saratoga, however, are in close proximity to Community Hospital of Los Gatos-Saratoga (200 beds) in Los Gatos, Good Samaritan Hospital of Santa Clara (400 beds) in San Jose, Campbell Community Hospital (48 beds) in Campbell, and the Santa Clara Valley Medical Center (595 beds) in San Jose.

Education - Public education is provided by six school districts. The city has eight public elementary schools, one junior high school, and two public high schools. West Valley Community College is located in the city. The college is one of two campuses serving the West Valley Joint Community College District, which encompasses the Cities of Santa Clara, Campbell, Los Gatos, and Saratoga. In spring 1976, the college district had a total enrollment of 20,851. Of this total, about 12,000 students attended the Saratoga campus only, while another 6,170 attended both the Saratoga and Campbell campuses.

Several universities are within commuting distance of the city. Stanford University is about 20 miles from the city, and the University of California at Santa Cruz is about 28 miles away. California State University, San Jose, and University of Santa Clara are also in close proximity.



Above: West Valley Community College is located in the City of Saratoga. Enrollment at this college exceeded 12,000 in Spring 1976. (*West Valley Community College photo*)

Left: Stanford University is about 20 miles from Saratoga. Located on an 8,800-acre campus, adjacent to the City of Palo Alto, it has a current enrollment of about 11,000. (*Barry Hennings photo*)



Bottom left: Founded in 1857, California State University, San Jose, is the oldest campus in the California State University and Colleges system. Current enrollment is over 25,000. (*Barry Hennings photo*)

Bottom right: The University of Santa Clara, one of the oldest institutions of higher learning in California, is located within 10 miles of the City of Saratoga, in the City of Santa Clara. About 6,000 students are enrolled at this university. (*Barry Hennings photo*)





RECREATION

The City of Saratoga maintains seven city parks where residents are able to enjoy picnicking, biking, nature study, or simple quiet relaxation. Sanborn Skyline Regional Park, Stevens Creek Regional Park, and Upper Stevens Creek Park are three county regional parks offering camping, fishing, hiking, horseback riding, and picnicking facilities.

Cultural activities include Paul Masson Vineyards' "Music in the Vineyard" concerts. The Villa Montalvo Center for the Arts is a cultural center and art gallery on a 175-acre estate. A private organization sponsors concerts, lectures, and dramatic productions at the center, while Santa Clara County maintains the estate grounds as an arboretum, wildlife preserve, and bird sanctuary.

Hakone Gardens is a 15-acre Japanese garden which was designed and landscaped by the son of the court gardener to the Emperor of Japan. The garden, completed in 1918 as part of a private estate, is now owned and maintained by the City of Saratoga.

(Barry Hennings Photo)



